

D.T.E. 03-118-A

January 6, 2004

Petition of Cambridge Electric Light Company and Commonwealth Electric Company requesting approval of their 2003 Transition Charge Reconciliation filing, together with proposed Transition Charges for Cambridge and Commonwealth, pursuant to G.L. c. 164, §1A(a) and 220 C.M.R. § 11.03 (4)(e).

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FOR: COMMONWEALTH ELECTRIC COMPANY
CAMBRIDGE ELECTRIC LIGHT COMPANY
Petitioner

I. INTRODUCTION

On December 3, 2003, Commonwealth Electric Company (“Commonwealth”) and Cambridge Electric Light Company (“Cambridge”), collectively referred to as the Companies, filed with the Department of Telecommunications and Energy (“Department”) a 2003 Reconciliation Filing (“Filing”) pursuant to G. L. c. 164, § 1A(a) and 220 C.M.R. § 11.03(4)(e). The Filing included a reconciliation of 2003 transition, transmission, standard offer, and default service costs and revenues for Cambridge and Commonwealth, as well as proposed updated charges and tariffs to be effective January 1, 2004. In addition, the Filing included a standard offer service fuel adjustment factor (“SOSFA”). The Filing also redesigned distribution rates for the Companies’ rate classes. The Department docketed the Filing as D.T.E. 03-118. The Companies’ last reconciliation filing was approved subject to further investigation. Cambridge Electric Light Company/Commonwealth Electric Company, D.T.E. 02-80B (2002).

On December 8, 2003, the Department requested comments on the Companies’ proposed rate adjustments and reconciliation for 2003. The Department received comments from the Attorney General on December 17, 2003. On December 22, 2003, the Companies replied to the Attorney General’s comments. The Companies responded to four Department information requests.

On December 30, 2003, the Department rejected the rate redesign proposal. Cambridge Electric Light Company and Commonwealth Electric Company, D.T.E. 03-118 (2003); see Boston Edison Company, D.T.E. 03-117 (2003). On January 5, 2004, the

Companies updated their Filing along with their proposed charges and tariffs to comply with the Department's directives.

II. DESCRIPTION OF PROPOSED TARIFFS

According to the Companies, the rate adjustments affect their transition, transmission, standard offer service charges, as well as their energy efficiency and renewables programs. The rate adjustments also affect the default service adjustment factor for Commonwealth. The proposed changes in rates include the following: average transition charge rates of \$0.0035 per kilowatthour ("KWH") for Cambridge and \$0.01845 per KWH for Commonwealth; average transmission charge rates of \$0.01427 per KWH for Cambridge and \$0.00683 per KWH for Commonwealth; standard offer charge rates \$0.051 per KWH for Cambridge and Commonwealth; SOSFA of \$0.01233 per KWH for Cambridge and Commonwealth; and a default service adjustment factor of \$0.00265 per KWH for Cambridge and \$0.0044 per KWH for Commonwealth. Finally, the Companies state that the Filing substantially follows the method set forth in the Companies' previous annual true-up filings in D.T.E. 01-79 and D.T.E. 02-80B.

III. ANALYSIS AND FINDINGS

The Department determines that further investigation is necessary into this filing. The Department finds, however, that the tariffs filed by the Companies on January 5, 2004, for service on and after January 1, 2004, are in compliance with Department precedent¹ and

¹ Cambridge Electric Light Company/Commonwealth Electric Company, D.P.U./D.T.E. 97-111 (1998); Cambridge Electric Light Company/Commonwealth Electric Company, D.T.E. 99-90 (2001); Cambridge Electric Light

G.L. c. 164, § 1B(b). Therefore, the rate changes are allowed subject to reconciliation pursuant to the Department's ongoing investigation.

IV. ORDER

After due notice and consideration, it is

ORDERED: That the tariffs filed by Commonwealth Electric Company with the Department on January 5, 2004 - M.D.T.E. Nos. 302C, 304B, 320B through and including 325B, 330B through and including 336B, 340B, and 341B - for service on and after January 1, 2004 are APPROVED; and it is

FURTHER ORDERED: That the tariffs filed by Cambridge Electric Light Company with the Department on January 5, 2004 - M.D.T.E. Nos. 202C, 204B, 220B through and including 225B, and 230B through and including 240B - for service on and after January 1, 2004 are APPROVED; and it is

FURTHER ORDERED: That the rate changes for Commonwealth Electric Company and Cambridge Electric Light Company are APPROVED subject to reconciliation pursuant to the Department's investigation; and it is

Company/Commonwealth Electric Company, D.T.E. 00-83 (2002); see also, Cambridge Electric Light Company/Commonwealth Electric Company, D.T.E. 01-79 (2001).

FURTHER ORDERED: That Commonwealth Electric Company and Cambridge Electric Light Company comply with any and all other directives contained in this Order.

By Order of the Department,

_____/s/_____
Paul G. Afonso, Chairman

_____/s/_____
W. Robert Keating, Commissioner

_____/s/_____
Eugene J. Sullivan, Jr., Commissioner

_____/s/_____
Deirdre K. Manning, Commissioner